

By: Otto

H.B. No. 315

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the law governing the ad valorem
taxation of a dealer's motor vehicle inventory.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 23.121, Tax Code, is amended by adding
Subsections (f-1) and (f-2) to read as follows:

(f-1) A dealer may elect to have the dealer's motor vehicle
inventory appraised in the manner provided by Section 23.12,
including Subsection (f) of that section, rather than this section
if:

(1) the total annual sales from the dealer's motor
vehicle inventory, less sales to dealers, fleet transactions, and
subsequent sales, for the 12-month period corresponding to the
preceding tax year are 25 percent or less of the dealer's total
revenue from all sources during that period; or

(2) the dealer did not sell a motor vehicle to a person
other than another dealer during the 12-month period corresponding
to the preceding tax year and the dealer estimates that the dealer's
total annual sales from the dealer's motor vehicle inventory, less
sales to dealers, fleet transactions, and subsequent sales, for the
12-month period corresponding to the current tax year will be 25
percent or less of the dealer's total revenue from all sources
during that period.

(f-2) The Dealer's Motor Vehicle Inventory Declaration form

1 promulgated by the comptroller under Subsection (f) must permit a
2 dealer to make the election described by Subsection (f-1). The
3 election must be made annually. A dealer who makes the election is
4 not subject to Section 23.122 for the tax year for which the
5 election is made.

6 SECTION 2. This Act applies only to the ad valorem taxation
7 of a dealer's motor vehicle inventory for a tax year beginning on or
8 after the effective date of this Act.

9 SECTION 3. This Act takes effect January 1, 2014.